(e) No such proposal is presently under consideration.

(f) Does not arise.

**Special Economic Zones in Kerala**

1016. SHRI N.K. PREMACHANDRAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have accorded sanction to set up a Special Economic Zone (SEZ) at Kochi in Kerala;

(b) if so, the details thereof; and

(c) what are the stipulations specified in the new Foreign Trade Policy relating to development of the towns of export excellence and the towns of Kerala, where the concerned sectors achieved the cross mark?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) A Special Economic Zone (SEZ) is already functional at Kakkanad,Cochin in Kerala. Further, approval has been given to the Cochin Port Trust proposal to set up a port based SEZ at Vallarpadam/Puthuvypeen in Kerala.

(c) In terms of paragraph 3.3 of the Foreign Trade Policy (FTP), selected towns producing goods of Rs. 1000 crore or more will be notified as Towns of Export Excellence on the basis of their potential for growth in exports. However, for the Towns of Export Excellence in the Handloom, Handicrafts, Agriculture and Fisheries sectors, the threshold limit would be Rs. 250 crore. Kanoor and AEKK (Aroor, Ezhupunna, Kodanthuruthu and Kuthiathodu) in Kerala have so far been listed as Towns of Export Excellence for Handlooms and Marine products respectively as per Appendix 41 of the Handbook of Procedures (Vol. I) of FTP.

**Indo-Chinese trade relations**

1017. SHRI GIREESH KUMAR SANGHI:
DR. T. SUBBARAMI REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are willing to build a long term and sustainable

economical relation with China as India has emerged number one trading partner replacing Japan in the North-Eastern Region;

(b) if so, whether China's decision to give India approved destination status for tourism purpose would help in availing information gap existing between the two countries;

(c) if so, to what extent both India and China have agreed to improve their trade relations; and

(d) the agreements reached between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) It is the constant endeavour of the Government to build a long term and sustainable economic relation with China.

(b) Yes, Sir.

(c) and (d) In pursuance of the 'Declaration of Principles for Relations and Comprehensive Cooperation between the Republic of India and the People's Republic of China', signed during the visit of Prime Minister to Beijing in June, 2003, a Joint Study Group comprising officials and economists has been set up to examine the potential complementarities between the two countries in expanding trade and economic cooperation. The Terms of Reference of the Joint Study Group, *inter alia* include examining the feasibility of moving towards a Comprehensive Economic Cooperation Agreement and,if such an arrangement is found feasible to make recommendations regarding its scope, structure and implementation. The Joint Study Group is led by Dr. Rakesh Mohan from the Indian side. The Joint Study Group has had three meetings to workout the final report. During the visit of PM to Beijing in June, 2003, an MoU was also signed between the two Governments on expanding border trade. Bilateral agreements were signed between the two countries to provide the structural and institutional framework for expanding and diversifying the bilateral trade.

**Raw material exports**

1018. SHRI GIREESH KUMAR SANGHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state: